April 27, 1965

Bob -

Gene Pubini and I have prepared this package for your information in connection with possible discussions of NRO organization.

B. McM
TALKING PAPER, NRO ORGANIZATION

Summary of Status

A. The PFIAB on 2 May 1964, in a memorandum to the President, recommended a Presidential Directive to

"...provide guidelines for the centralized direction, management, and conduct of the National Reconnaissance Program..."

Among the nine specific features of this guidance as recommended to the President, were:

1. Definition of the National Reconnaissance Program as a single program, national in character, for the development, management, control and operation of all projects, both current and long-range, for the collection of intelligence, mapping and geodetic information through overflights...

2. Designation of the Secretary of Defense as Executive Agent for the National Reconnaissance Program...

3. Establishment of the NRO as a separate operating agency of the DoD, under a DNR responsible solely to the SecDef (paraphrased), and

5. A "coordinated, comprehensive budget for all elements" of the NRP.

The PFIAB further recommended that, if this guidance were issued, within the framework of the NRO the following actions, among many others, be undertaken:

Assignment to the Department of Defense the "responsibility for the management, over-all systems engineering, procurement and operation of all satellite reconnaissance systems."

Continued assignment to the Central Intelligence Agency of the OXCART program.

B. The Deputy Secretary of Defense has concurred with the report of the PFIAB, and has specifically stated his intention to undertake the several detailed actions recommended by them for implementation. (Memo of 2 June 1964, Cyrus Vance to McGeorge Bundy)
C. A draft memo, Fubini to SecDef, copy attached, dated 22 April 1965, proposes a Presidential Directive which is consistent with the recommendations of the FFJAB, and with comments and suggestions made elsewhere in the Board's report.

The Fubini version covers items 1, 2, 3, and 5 above, with similar, not always identical, wording, but does not cover all items recommended by the FFJAB for inclusion in a directive. Fubini goes beyond the letter, but not the spirit, of the FFJAB in some details. Where the two versions overlap, they are similar but not identical in wording.

Two Important Issues

Direct responsibility for the Satellite Operations Center is an essential element of a strong centralized management of the MRO. The arguments are given in a memorandum for record attached. This issue is not touched directly by the FFJAB report; it appears explicitly in the Fubini draft directive.

Assignment to the DoD of responsibility for satellite systems - their "management, over-all systems engineering, procurement and operations" - as recommended by the FFJAB, is also essential for a strong and effective MRO. Satellite systems are too complex in engineering and operation, and too costly in procurement, to allow for divided responsibilities. The problems are well illustrated by the divided management of the CORONA system, which is still much as described in the D聂O memo to SecDef of January 28, 1964.

Recommendations

1. That the Fubini draft directive be used as a basis for redefining the charter of the MRO;

2. That the assignments of responsibility recommended by the FFJAB be implemented.

Attachment

/\  Brockway McMillan
23 April 1965
MEMORANDUM FOR THE SECRETARY OF DEFENSE

SUBJECT: Proposed Presidential Directive

1. The National Reconnaissance Program is a single program, national in character, for the development, management, control, and operation of all projects, both current and long range, for the collection of intelligence, mapping and geodetic information obtained through overflights (excluding peripheral reconnaissance operations).

2. The Secretary of Defense is designated as the sole executive agent for all aspects of the National Reconnaissance Program, including the management of all programs and the tasking of other agencies to cooperate in such programs.

3. There shall be established within the Department of Defense a National Reconnaissance Office to function as a separate operating agency of the Department of Defense. This office is to be headed by a Director responsible solely to the Secretary of Defense for discharging the Secretary's responsibility as executive agent for the National Reconnaissance Program.

4. The Director of Central Intelligence is assigned the following responsibilities:

a. In his capacity as Chairman, United States Intelligence Board, to establish requirements and priorities for intelligence collection and to communicate these to the Director of the National Reconnaissance Office, to serve as a base for scheduling and targeting the reconnaissance missions of the National Reconnaissance Program;

b. To review the intelligence collected by the National Reconnaissance Program to insure that it is responsive to the requirements as established by the United States Intelligence Board;
c. To recommend to the President or to the Secretary of Defense, as appropriate, steps for the improvement of such collection;

d. To establish a research and development organization within the Central Intelligence Agency, solely responsive to the tasking instructions of the Director of the National Reconnaissance Office, to carry on research, exploratory development, and advanced development, but not engineering or operational development;

e. To review the budget of the National Reconnaissance Program each year before its presentation to the Bureau of the Budget.

5. The Director of Central Intelligence shall further be responsible for the prompt analysis, and reporting for appropriate uses, of the photographic and signals intelligence obtained from the National Reconnaissance Program, provided, however, that the processing and analysis of ELINT information is carried on through the National Security Agency. The Director of Central Intelligence shall be responsible for the utilization of such intelligence in the preparation of national intelligence estimates.

6. The Central Intelligence Agency will be responsible for providing the Secretary of Defense the security policy guidance for the maintenance of a uniform system of security procedures in the whole area of the National Reconnaissance Program.

7. The Director of the Joint Reconnaissance Center shall be designated as the Director of Operations of the National Reconnaissance Office, reporting to the Director of the National Reconnaissance Office. There shall be established within the Department of Defense a Satellite and Aircraft Operations Office under the direction of the Director, National Reconnaissance Office, and under the management of the Director of Operations of the National Reconnaissance Office. This office shall be responsible for the scheduling, tasking, and control of all over-flight operations approved by superior authorities, and their support where this is required from the Unified and Specified Commands.
8. Subject only to review by the Secretary of Defense, the Director, National Reconnaissance Office, will have complete authority to initiate, modify, redirect, or terminate all research and development programs in the National Reconnaissance Program, including those carried on within all agencies in the United States. To fulfill these functions, the Director of the National Reconnaissance Office shall establish within his office a Director of Research and Development, at the same organizational level as the Director of Operations, and shall assign to him the responsibility for the formulation of research and development programs in both the satellite and aircraft fields and for insuring that effective employment is made of the capabilities of the Central Intelligence Agency in the areas of research, exploratory development, and advanced development.

9. The Director of the National Reconnaissance Office shall prepare a coordinated, comprehensive budget for all aspects of the National Reconnaissance Program and shall establish a fiscal control and accounting procedure to insure that all funds expended in support of the National Reconnaissance Program are fully accounted for and appropriately utilized by the agencies concerned. The budget shall, in particular, show separately those funds to be applied to research and exploratory development, advanced development, engineering development, and operational development. It shall show the portion of the funds for research and exploratory development that are assigned to the Central Intelligence Agency. It is normally expected that this portion shall approximate half of the total budget for research and exploratory development. The Director of the National Reconnaissance Office shall report to the Secretary of Defense if he cannot make full use of the resources of the Central Intelligence Agency for the conduct of research and development projects, or if the funds allotted to the Central Intelligence Agency for these purposes cannot fully be utilized. The Secretary of Defense shall examine the situation to determine whether maximum possible use is being made of existing resources of the Central Intelligence Agency, and, if appropriate, to authorize reprogramming of these funds.
10. The Secretary of Defense shall endeavor to maintain a close and continuing cooperation with the Director of Central Intelligence:

   a. To keep him informed of his plans,

   b. To insure that a most productive utilization of national resources and skills is made in meeting critical intelligence objectives,

   c. To insure that opportunities are supplied to the Director of Central Intelligence to fulfill his monitoring task by periodically surveying the progress made under the program.

11. The Secretary of Defense shall insure that personnel of the Central Intelligence Agency are given an opportunity to participate in the work of the National Reconnaissance Program by direct assignment to offices working under the direction of the Director of the National Reconnaissance Office. In this case, these personnel will serve solely under the direction and supervision of the Director of the National Reconnaissance Office while they are so assigned.

12. As an interim measure, the Central Intelligence Agency shall continue the management of the OXCART program under the direction of the Director, National Reconnaissance Office.

13. Following the development stage, the responsibility for the operational use of the OXCART and related facilities shall be controlled by the Director, National Reconnaissance Office, as indicated in Section 7 of this Directive.

Eugene C. Rundle
MEMORANDUM FOR RECORD

SUBJECT: Relation of the Satellite Operations Center to the MRP

The MRP, as defined, is a single program embracing operations and R&D. The MRP was established to manage it - to maximize the "take" from operations pressed by urgency and faced by severe limitations, and to improve the operations and overcome limitations by making best use of R&D resources.

The President's Board, in its report of 2 May 1964, in effect stated the two premises: that the underlying problems still exist, and that they merit extraordinary attention. The Board concluded that a single MRP under central management is still a valid and necessary approach to a solution. The Deputy Secretary of Defense has accepted the recommendations of that report. The CIA has not, but is fairly well on record as accepting the premises.

With agreement on the premises, the main issue is the substance of the solution to the problems described in the premises. I don't believe that the administrative issue can be completely ignored, however. The President's Board is on record favoring a strong centralised management, and an evident departure from this standard will evoke a reaction. To my mind, the same arguments apply to both issues - which is to say that the President's Board is right, and that a departure from good management practice does indeed weaken one's approach to the basic problems. The arguments as they relate to the Operations Center can be expressed by talking in terms of satellite photographic intelligence.

The basic concept of the MRP is that one office - or one individual, the MRP - is responsible for delivering pictures to the intelligence community, with related identifying data, pictures of targets and areas as specified to him, having a timeliness and quality that is limited only by natural causes, by pre-given policies and priorities, and by budgetary constraints that have been agreed upon.
One can certainly ask whether this is a valid or useful separation of responsibilities. Mr. McCona has not accurately distinguished among responsibilities, functions, and resources, but he has presented a chart that does not separate out the specific responsibility just identified. Presumably he subsumes it under his own statutory responsibility for delivering estimates. It might be interesting for the DoD to press for a clarification of this point, since in fact the military community uses pictures directly, and the related data, for detailed measurement, for targeting, and for identifying. The delivery to the military of primary data for these latter purposes appears to me to be a function quite distinct from that of delivering estimates. Does CIA recognize this function? If so, how does Mr. McCona plan to insure its proper accomplishment?

From the point of view of management, the particular separation of responsibilities which the NESO represents is a valid one. On the output side, the interface is very clear: the product is a definite thing, pictures and closely related data, having qualities and properties that are relatively easy to judge against standards that can be objective and fairly complete. In other words, performance can be defined and evaluated.

The input side is somewhat more complex, but in drawing an interface at the level of targeting requirements and priorities, one is nevertheless simply making explicit a necessary function. The response, in terms of orbit selections and camera decisions, to requirements and priorities will inevitably be made by people who did not themselves wholly establish those requirements and priorities. If the operation works at all, then, the only variables are the timeliness with which orbit selections and camera decisions can reflect changes in requirements or priorities, and their sensitivity to subtle distinctions in priorities. I cannot see any real obstacle, under a separation of responsibilities, to achieving the best in timeliness and sensitivity that is possible under any arrangement.

The separation of responsibilities which the NESO represents is also a valuable one. It fixes attention on a definite final product, pictures and related data, a product which is itself a desideratum, because it is used by many people and for many purposes. As noted, the product is capable of fairly objective evaluation.
against standards, and indeed against standards that are reasonably appropriate to its final uses. By establishing this product as a specific responsibility, one sets up the best mechanism we fallible people know for getting good results — incentive.

It is infinitely easier to evaluate pictures than to evaluate estimates. It is certainly good management, therefore, even of the estimating process, to ask for good performance of that part of the process that can be broken out and evaluated, provided that the standards of evaluation are appropriate to the desired end result. In the present case, they easily can be.

Granting, now, that the NRO has been assigned the specific responsibility to deliver pictures in response to requirements, why should the Satellite Operations Center be an integral part of the organization? Indeed, with little change, the arguments just cited for separating out the NRO can also be read as favoring a separation of the Op Center function within the NRO. This is not of course what Mr. McConne has proposed, since his charts reject the whole concept of the NRO, but one could certainly consider a situation in which the physical resources — the rooms, desks, and most importantly the communications outlets, — are located at Langley, the Center is manned by CIA employees, and these resources are "tasked" by the NRO.

Against this arrangement, there are important arguments of substance. The arguments relate to the efficient use of resources, or alternatively, to the complexity, in fact, of the interface between the Op Center and the other functional elements of the NRO. The complexity of this interface is first manifest in the primary function of the Op Center of preparing and executing mission plans. Acting under authority delegated from the DRO, the Op Center imposes tasks on other specialized and expert elements of the NRO, tasks which result in data being returned and hardware being committed. Although in principle perhaps irrelevant, it is a fact that most of these tasks go to Air Force elements of the NRO. Almost all of the tasks result in the expenditure of NRO money. Most of the tasks go to elements of the NRO which have important functions other than direct support of the Op Center. The actions of the Op Center therefore mesh quite closely with, and can indeed interfere with, other direct operating business of the NRO. These actions in fact merit and do get continuing attention from the Director, NRO Staff, and from me.
Thinking of these interface problems in the future, one can look forward to a time when many satellite projects are active in the National Reconnaissance Program, rather than the few that are now primary. Launch facilities, recovery forces, and the facilities for tracking and on-orbit command, will not be increased in proportion to the number of active satellite projects. All of the facilities and resources will be more heavily burdened than today; their use will have to be more tightly scheduled than is necessary today, and more management attention will be required to minimize interferences. Decisions of and actions by the Op Center will correspondingly become more tightly bound to those of other elements of the NRO. In particular, the mission planning by the Op Center will have to recognize the impact of potential scheduling interferences on the primary collection objectives and priorities of the missions being planned. It is worth noting that this kind of interference analysis is already necessary at the Satellite Test Center, in Sunnyvale. It does not yet react very sharply on the Op Center because the NRO programs are small in number and have priority over all others in demands for support from the Satellite Test Center. It is a sufficiently important and complex problem at the Test Center, however, to have merited the development of computer programs specifically for its support.

There is another and important kind of interface between the Op Center and the other functions of the NRO. There is a considerable reservoir of expertise in the Op Center, deriving from its recorded and remembered experience. We draw heavily and regularly upon this reservoir in support of long term operational planning and planning of research and development. (I have not in this essay attempted to address the NRO responsibilities of the NRO.) Formalized studies by the Op Center are an important part of our planning activity, but we also regularly use the Op Center personnel directly in other activities of study and consultation.

Examples of the extent to which the Op Center’s talents are drawn upon for studies and planning are provided by the recent analyses of satellite reconnaissance over Cuba, in support
of MANN 311, and by similar analyses made in connection with DoD requirements for coverage of South China. Information on climatology and on weather experience came directly from the Op Center's experts and records. Targeting analyses were directed by the Op Center, and conducted in the same manner as the analyses normally made for mission planning and orbit selection. Several man months of effort by the Op Center have been directly devoted to these particular studies. Similar studies, broader in scope and covering a wider variety of situations, have been in progress for a year in connection with planning for a general system. I believe that an objective evaluation of this particular planning, in comparison to that which the CIA has used to support their efforts to date on the proposal, would bring out sharply the value and importance of the Op Center as a resource in this kind of planning. It would also reveal, I believe, that the responsibility for the Op Center carries with it a responsibility for realism in system planning - those who must live with the results of their planning are inclined to look carefully at what goes into it. In the long run, this last is perhaps as strong an argument as any other for retaining the Op Center as a fully integrated element of the NRO.

In sum, I believe that it is not practicable even today, to codify the functions of the Op Center that they can be separated out as a distinct set of responsibilities assignable to a separate management unit. The difficulties in this regard will increase as the number and complexity of satellite projects in the National Reconnaissance Program increase. As a practical matter, physical and organisational separation of the Op Center from the NRO and the NRO staff would make efficient management of satellite collection activities very difficult and would deprive the NRO of a reservoir of understanding and experience that has been of demonstrable value in the planning of research and development. I am sure that it would also make more difficult than is already the case the use of satellite photography in direct support of military requirements.